

House Research Act Summary

CHAPTER: 77

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TOPIC: State Government Finance

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Overview

This is the state government finance omnibus bill. For appropriation amounts, see the spreadsheet prepared by fiscal analyst Helen Roberts.

Article 1

State Government Appropriations

Section

- 1 State government appropriations.** States that the following sections contain appropriations for fiscal years 2016 and 2017. Provides that appropriations are from the general fund, unless otherwise specified.
- 2 Legislature.**
- 3 Governor and Lieutenant Governor.**
- 4 State Auditor.**
- 5 Attorney General.**
- 6 Secretary of State.**
- 7 Campaign Finance and Public Disclosure Board.**
- 8 Investment Board.**
- 9 Administrative Hearings.**
- 10 MN.IT Services.**

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- 11 Administration.**
- 12 Capitol Area Architectural and Planning Board.**
- 13 Minnesota Management and Budget.**
- 14 Revenue.**
- 15 Gambling Control.**
- 16 Racing Commission.**
- 17 State Lottery.**
- 18 Amateur Sports Commission**
- 19 Council on Black Minnesotans.**
- 20 Council on Asian-Pacific Minnesotans.**
- 21 Council on Affairs of Chicano/Latino People.**
- 22 Indian Affairs Council.**
- 23 Minnesota Historical Society.**
- 24 Board of the Arts.**
- 25 Minnesota Humanities Center.**
- 26 Board of Accountancy.**
- 27 Board of Architecture, etc.**
- 28 Board of Cosmetology.**
- 29 Board of Barbers.**
- 30 General Contingent Accounts**
- 31 Tort claims.**
- 32 Minnesota State Retirement System.**
- 33 Public Employee Retirement Association.**
- 34 Teachers Retirement Association.**
- 35 St. Paul Teachers Retirement Fund.**
- 36 Military Affairs**
- 37 Veterans Affairs.**
- 38 Appropriation cancellations.**

Section

Article 2

State Government Operations

- 1 **Staff.** Authorizes the Legislative Coordinating Commission to appoint staff for the Legislative Commission on Data Practices.
- 2 **Evaluation of economic development incentive programs.**
 - Subd. 1. Definitions.** Defines “general incentive” and “exclusive incentive” for purposes of this section.
 - Subd. 2. Selection of general incentives for review; schedule.** Requires the Legislative Auditor to annually submit to the Legislative Audit Commission a list of three to five general incentives proposed for review. Requires the Legislative Audit Commission to select at least one general incentive for the legislative auditor to evaluate.
 - Subd. 3. Exclusive incentive schedule.** Provides that the legislative auditor’s schedule shall ensure that at least once every four years the legislative auditor will complete an analysis of best practices for exclusive incentives.
 - Subd. 4. Evaluation plans.** Requires the Legislative Audit Commission to establish evaluation plans that identify elements the Legislative Auditor must include in evaluations of general and exclusive incentives.
- 3 **County audits.** Proposes a new section of law governing county audits. The current section (6.48) is repealed at the end of this article. The primary substantive difference between the current law and this new language is that a county may choose to have an audit performed by the state auditor or may choose to have the audit performed by a CPA firm. If a county chooses to have an audit performed by a CPA firm, the audit must meet standards required by the state auditor. The auditor may require additional information from the CPA firm, but must accept the audit unless the auditor determines it does not meet industry standards. Provides that the auditor may make additional examinations, and that the county will pay the auditor for these additional examinations.

Provides that data relating to an audit performed by a CPA firm are subject to the same data classification that apply to audits performed by the state auditor, and that the CPA firm must provide access to the audit, and is liable for unlawful disclosure of data, as if it were a government entity.

Specifies procedures to be followed if a county switches between the state auditor and a private CPA firm.

This section is effective August 1, 2016.
- 4 **Telephone use; approval.** Provides that the requirement for a legislator, constitutional officer, judge, and agency head to sign the person’s monthly long-distance phone bill does not apply to a month in which the bill paid by the state is less than \$5. Provides that the

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person is responsible for paying any portion of the bill that does not relate to state business, even if the amount is less than \$5.

5**Ethnic councils.**

Subd. 1. Creation. Creates the Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans.

Subd. 2. Membership. Provides that each council has 15 voting members. The Governor appoints 11 members, and 4 members are legislators (one from each caucus). Provides criteria for members appointed by the Governor.

Subd. 3. Appointments; terms; removal. Specifies provisions governing appointments, terms, compensation, and filling of vacancies. Provides that a member who missed more than half of the council meetings during a 12-month period automatically is removed from the council, and that a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. Legislative members serve at the pleasure of the appointing authority.

Provides that a member appointed by the Governor may serve no more than 8 years on a council. A legislator may serve no more than 8 consecutive years or 12 nonconsecutive years on any one council.

Subd. 4. Training; executive committee meetings; support. Requires members appointed by the Governor to attend orientation training within six months of appointments, or be removed from the council. Requires the Commissioner of Administration to provide training on specified topics.

Provides for election of officers, and executive committee, quorum, conflicts of interest. Requires the Commissioner of Administration to provide administrative support through the small agency resources team (SMART) under section 16B.371. Requires the attorney general to provide legal services

Subd. 5. Executive director; staff. Requires the Legislative Coordinating Commission to appoint an executive director for each council, and provides that the director serves in the unclassified service at the pleasure of the LCC. (Under current law, the director for each council is appointed by the council). Requires the LCC to consult with the applicable council in recruiting and selecting an executive director. Requires the executive director to appoint other staff necessary to carry out council duties. Provides that the executive director and other council staff are executive branch employees.

Subd. 6. Duties. Requires each council to advise the Governor and the Legislature on issues confronting the constituency of the council, and on administrative and legislative changes need to improve the economic and social condition of the constituency. Specifies other duties, including serving as a liaison between state government and organizations that serve the constituency of the council.

Subd. 7. Duties of council members. Provides duties for council members.

Subd. 8. Reports. Requires councils to report to the legislature by January 15 each year. Requires reports to include specific objectives and outcome measures.

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- 6 Prepay.** Provides that the MMB commissioner may authorize an agency to make advance payments for information technology hosting services.
- 7 Report on budget reserve percentage.** Changes from January 15 to September 30 the date for MMB's report on the percentage of the general fund that is recommended as a budget reserve. Requires the report to be presented to the chairs and ranking minority members of the Senate Finance Committee, the House Ways and Means Committee, and the Senate and House committees on taxes.
- 8 Accommodation reimbursement.** Creates a central account in the special revenue fund for reimbursing state agencies for expenses incurred in providing reasonable accommodations to executive agency employees. Provides for the commissioner of administration to make reimbursement out of the account to state agencies.
- 9 Grant agreement.** Provides that the law governing state grant agreements does not apply to general obligation grants as defined in section 16A.695.
- 10 Limitation.** Provides that the law governing state grant agreements does not apply to general obligation grants and to capital project grants to political subdivisions.
- 11 Encumbrance exception.** Strikes language requiring approval of the commissioner of management and budget for a grant funded with state general obligation bonds (In general, grants funded with general obligation bonds are dealt with in section 16A.695).
- 12 Guaranteed energy-savings program.** Provides that the state guaranteed energy savings agreement law applies to any type of financing, not just to lease purchase agreements. Provides that in determining the amount of state spending under an agreement (for purposes of comparing to savings) the amount contributed for capital cost avoidance must be subtracted.
- 13 Small business.** Provides that federal standards apply to determination of what is a "small business" for purposes of state small business purchasing programs.
- 14 Veteran-owned small businesses.** Specifies that the commissioner of the Minnesota Department of Veterans Affairs must verify that a business is owned by a veteran prior to the commissioner of administration certifying the business as a veteran-owned small business.
- 15 State-funded projects.** Provides that for state-funded capital improvement projects over \$100,000, municipalities and other organizations shall promote the use of targeted group businesses and take steps to remove barriers to equitable participation of targeted group businesses.
- 16 Eligibility; rules.** Modifies the criteria that the Department of Administration must follow in certifying Minnesota veteran-owned small businesses. Specifies that all veterans, as defined in Minnesota Statutes, section 197.447, who own small businesses are eligible to receive bid preferences. Provides that small businesses certified under federal purchasing programs are certified as eligible to participate in state programs.
- 17 Healthy eating, Here at Home.** Establishes the health eating, here at home program, to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers markets. Provides for the Minnesota Humanities Commission to make grants to nonprofit organizations that work with Minnesota-based farmers markets.

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- 18 Expedited, temporary license processing for licensed optometrists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of optometry. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary optometrist license is valid for six months. During the temporary license period, the individual shall complete the licensed optometrist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants.
- 19 Expedited, temporary license processing for licensed dietitians or nutritionists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of dietetics or nutrition. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary dietitian or nutritionist license is valid for six months. During the temporary license period, the individual shall complete the licensed dietitian or nutritionist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants. The fee for the temporary license is \$250.
- 20 Expedited, temporary license processing for licensed marriage and family therapists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of marriage and family therapy. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary marriage and family therapist license is valid for six months. During the temporary license period, the individual shall complete the licensed marriage and family therapist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants.
- 21 Expedited, temporary license processing for licensed professional counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of professional counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary LPC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.
- 22 Expedited, temporary license processing for licensed professional clinical counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of professional clinical counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license,

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certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary LPCC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.

- 23 Expedited, temporary license processing for licensed alcohol and drug counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of alcohol and drug counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary LADC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.
- 24 License requirements; podiatric medicine.** Provides that, upon completion of all other application requirements, a doctor of podiatric medicine applying for a temporary military license has six months to comply with the podiatric medicine license requirements.
- 25 Expedited, temporary license processing for licensed podiatrists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of podiatric medicine. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary podiatrist license is valid for up to six months, as determined by the licensing board. No extension is available. During the temporary license period, the individual shall complete the licensed podiatrist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants. The fee for the temporary license is \$250.
- 26 Fees.** Provides fee amounts to be charged by the Board of Barber Examiners for a temporary military registered barber certificate (\$85), barber instructor certificate (\$180), and apprentice barber permit (\$80).
- 27 Temporary military permits and certificates.** Authorizes the Board of Barber Examiners to issue temporary military certificates and permits for apprentice barbers, registered barbers, and barber instructors. Permits or certificates are valid for 12 months. To earn a permanent permit or certificate, the individual must meet the standards for all applicants.
- 28 Policy.** Adds “infection control” and the use of “implements” to the policy statement governing the Board of Cosmetology Examiners
- 29 Manager.** Amends the definition of “manager” in cosmetology law.
- 30 Mobile salon.** Defines “mobile salon”, as part of the new law making mobile salons legal by requiring the board of cosmetology to establish rules that allow a mobile facility to be a licensed salon
- 31 Advanced practice esthetician.** Defines this term for purposes of cosmetology law.
- 32 Designated license salon manager.** Defines this term for purposes of cosmetology law.

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- 33 School manager.** Defines this term for purposes of cosmetology law.
- 34 Designated school manager.** Defines this term for purposes of cosmetology law.
- 35 Practitioner.** Defines this term for purposes of cosmetology law.
- 36 Hiring and assignment of employees.** Eliminates a requirement for the board to train staff in customer service skills. Authorizes the board to hire qualified personnel to conduct complaint investigations.
- 37 Schedule.** Adds categories of license fees and changes fee amounts.
- 38 Board must approve or deny applications.** Provides for expedited military licenses. Authorizes the board to take more than 15 working days to review a license application if certain conditions are met.
- 39 Additional review for certain licenses.** Provides conditions under which the board may take additional time to review a license application.
- 40 Temporary military license or expedited license.** Requires the cosmetology board to act within five business days on an application for an expedited license or a temporary military license.
- 41 Additional review for temporary military license or expedited license.** Provides conditions under which the board may take additional time to review a temporary military or expedited license application
- 42 Licensing.** Provides that an advanced practice esthetician must be licensed.
- 43 Qualifications.** Provides that the board's rules must require knowledge of infection control, use of implements, apparatuses and other appliances, and the use of chemicals.
- 44 Temporary military license.** Strikes references to fees now set in a different section.
- 45 Continuing education requirements.** Effective August 1, 2017, requires applicants to attest to completion of one four-hour continuing education course on specified topics. Courses must be completed within three years prior to the license renewal date. Precludes marketing or sales of products during a continuing education class. Requires continuing education providers to be authorized annually. Permits a licensed school of cosmetology, a professional association, or a licensed salon that is authorized by the board to offer continuing education.
- 46 Licensing.** Provides that a person must not offer cosmetology services for compensation unless licensed. Specifies types of salon licenses.
- 47 Requirements.** Clarifies that current law refers to compliance with applicable workers compensation requirements.
- 48 Requirements for mobile salon.** Requires mobile salon license holders to maintain a permanent business address, and to notify the board of the locations and schedule of operation of a mobile salon.
- 49 Conditions precedent to licensure.** Requires cosmetology schools to employ a designated licensed school manager who maintains a cosmetology salon manager license.

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- 50 Discrimination prohibited.** Requires cosmetology schools to comply with the Human Rights Act.
- 51 Mississippi River Parkway Commission.** Extends the sunset date of the commission from 2016 to 2020.
- 52 Costs assessed.** Requires Office of Administrative Hearings costs for hearing fair campaign practices complaints to be paid from appropriations to the office for this purpose.
- 53 Fees; federal liens.** Eliminates an additional \$15 fee for more than two debtor names for liens filed by the Internal Revenue Service.
- 54 Reinstatement.** Provides that a foreign corporation whose certificate of authority has been revoked or canceled may reinstate the authority by filing an annual renewal fee and the required fee (strikes language requiring the corporation to file an application for reinstatement). Provides that the reinstatement fee is \$500 (striking a \$250 fee if the certificate of authority was revoked by the Secretary of State).
- 55 Report required; public benefit corporation.** Requires a public benefit corporation to file an annual benefit report by April 1 (striking reference to 90 days after the end of the calendar year).
- 56 Failure to file annual benefit report.** Makes same April 1 reference change as prior section.
- 57 Effects of revocation.** Adds a reference to termination of status in the law governing revocation of a public benefit corporation's status. Requires a corporation that has lost its public benefit corporation status to amend the articles of incorporation to reflect a name that does not include the public benefit corporation designation.
- 58 Failure to change corporation name.** Provides that the duration of a corporation expires 30 days after revocation of the public benefit corporation status if the corporation fails to change its name as required.
- 59 Attest.** Amends definition of "attest" in law regulating accountants, to reference procedures performed in compliance with Statements on Standards for Attestation Engagements (SSAE).
- 60 Peer review.** Amends definition of "peer review" to include CPA firms.
- 61 Principal place of business.** Deletes language that appears to be unnecessary.
- 62 Report.** Amends definition of "report" in conjunction with earlier change in definition of "attest".
- 63 State.** Adds the Commonwealth of Northern Mariana Islands to the definition for purposes of laws governing accountants.
- 64 Officers; proceedings.** Technical.
- 65 Rules.** Authorizes the Board of Accountancy to adopt rules that incorporate by reference standards recognized by national accountancy organizations.
- 66 General.** In law dealing with out-of-state CPA firms, references procedures performed in accordance with SSAE.

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- 67** **Qualifications.** Eliminates reference to financial statements, in conjunction with earlier change in definition of “attest”.
- 68** **Violation; penalties.** Increases maximum fine that Board of Accountancy can impose from \$2,000 to \$5,000.
- 69** **Unlawful acts.** Prohibits persons who are not licensed from using certain language on an attest service.
- 70** **Procedure.** Amends procedures governing inquiries received by the Secretary of State on farm product liens and financing statements. Adds references to online inquiries, and requires the Secretary of State to provide a prompt response.
- 71** **Monthly regulatory fee.** Increases the monthly regulatory fee for lawful gambling organizations from .1% of gross receipts to .125%.
- 72** **Fees.** Increases the distributor’s license fee from \$6,000 to \$7,000 and the salesperson license fee from \$100 to \$150.
- 73** **License; fee.** Increases the manufacturer’s license fee from \$9,000 to \$10,000.
- 74** **Samples of gambling equipment.** Increases the new game submission fee from \$25 to \$30 and the new game testing fee from \$100 to \$125.
- 75** **Exemptions.** Increases the exempt permit fee from \$50 to \$100 (or \$100 to \$150 for applications postmarked less than 30 days before the gambling occasion).
- 76** **Limits on railroad condemnation powers.** Permits Hennepin County (including the county housing and redevelopment authority and regional railroad authority) to prevent condemnation of county property through eminent domain actions by a railroad company, if the county determines that public safety or first responder access would be negatively impacted as a result. This section is effective retroactively from March 2, 2015, and applies to any eminent domain action to acquire any property interest of any of the named entities.
- 77** **MN.IT Services.** Authorizes cash flow funds provided to MN.IT in the current biennium to be repaid at the end of the fiscal year 2015 closing period (instead of requiring repayment by June 30, 2015).
- 78** **Parking ramp financing.** Provides that the amount equivalent to debt service for the parking garage bounded by Sherburne Avenue, Park Street, University Avenue, and North Capitol Boulevard must be transferred from parking fees deposited into the state parking account to the general fund to offset any direct appropriations made to the senate for debt service payments for the legislative parking garage.
- 79** **Capitol room numbers.** Requires the Commissioner of Administration to retain certain room numbers after the Capitol renovation.
- 80** **In-lieu of rent evaluation.** Requires the Commissioner of Administration to report on issues relating to the in-lieu of rent appropriation.
- 81** **Rulemaking.** Requires the Board of Cosmetology to adopt rules relating to mobile salons and regarding the advanced practice esthetician license.
- 82** **Political contribution credit.** Provides that the political contribution refund does not apply to contributions made after June 30, 2015 and before July 1, 2017.

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- 83 State agency technology projects.** Provides that an appropriation in this act for information technology project services and support is subject to the jurisdiction of MN.IT.
- 84 Examination of county records; report.** Requires the Legislative Auditor to report on the efficiency of county audits conducted by the State Auditor.
- 85 Report on agency chief information officers.** Requires MN.IT to report to the legislature on reduction in the number of chief information officers in state agencies.
- 86 Transition.** Provides the current ethnic council members will serve out their terms, except that the terms will end December 31, 2015, for members who have served 8 years or more at that time. Provides that if a council currently has more members than provided for in this bill, positions will remain vacant as terms expired until the council is the required size.
- Requires the LCC to appoint new executive directors by November 15, 2015. Authorizes incumbents to apply, but provides that if an incumbent is not selected, the person's employment ends when the new director is appointed or on another date determined by the LCC. Other council staff are transferred to employment with the reformulated councils.
- 87 Revisor instruction.** Relating to Cosmetology, county audits, and ethnic councils,
- 88 Repealer.** Paragraph (a): §§ 3.9223; 3.9225; and 3.9226 (laws governing ethnic councils, which are replaced by a new section in this article)
- Paragraph (b): §§ 6.48 county audits (replaced by new language in this article) and 375.23 (overseer of roads in unorganized territory).
- Paragraph (c): § 155A.23, subd. 6 (definition of licensed practice in cosmetology law)
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Article 3**Military and Veterans Affairs**

- 1 Uses; veterans; support our troops.** Adds to the list of permissible purposes for money appropriated to the Department of Veterans Affairs from the Support Our Troops account: grants up to \$100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families; and grant to an eligible foundation that is a tax-exempt organization under section 501(c) of the Internal Revenue code and is a nonprofit corporation whose purpose includes providing assistance to veterans and their families or enhancing lives of veterans and their families.
- 2 Annual report.** Requires the Commissioner of Veterans Affairs (in addition to the adjutant general) to report to the legislature on use of grants made from the Support Our Troops account.
- 3 Temporary emergency relief.** Provides for a death gratuity payment, instead of "immediate temporary relief," for certain military survivors.
- 4 Reclassification bonus program.** Authorizes the adjutant general to establish a program to provide a bonus to eligible National Guard members who complete training that results in the

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award of a new specialty identified by the adjutant general to be necessary for the enhanced readiness of the National Guard. Specifies conditions.

- 5 **Disposal of property.** Provides that trustees of the Big Island Veterans Camp have exclusive authority to remove a trustee, with consent of the Commissioner of Veterans Affairs.
- 6 **Veterans preference.** Provides that a veteran may elect to have a veterans preference hearing conducted by a civil service board or commission, a merit authority, or a three-person panel. Provides that for disputes heard by a civil service board, the political subdivision shall bear all costs associated with the hearing, including attorney fees for the veteran. For disputes heard by a three-person panel, all parties shall share hearing costs equally, including attorney fees for the veteran's attorney. If the veteran prevails in a dispute heard by a civil service board or a three-person panel and the hearing reverses all aspects of discharge, the governmental subdivision must pay the veteran's reasonable attorney fees.
- 7 **Honor and remember flag.** Designates the Honor and Remember Flag as the symbol for the state's concern and commitment to those who have lost their lives in the line of duty as members of the armed forces. Encourages days for displaying the flag at specified governmental facilities. Provides that any public office or public official may accept a donation of one or more Honor and Remember Flags to carry out the purposes of this section.
- 8 **Veterans home.** Provides that the commissioner of veterans affairs may not close a veterans home unless closure of the home is specifically authorized or required by law.
- 9 **Repealer.** §§ 197.131: Board of Governors of Big Island Veterans Camp and 197.132: Powers and duties of Board of Governors of Big Island Veterans Camp.

Article 4**Pari-Mutuel Horse Racing**

- 1 **Racing season.** In law governing the Racing Commission, eliminates the requirement for a 25-week season beginning before the first Saturday in May, effective in 2016.
- 2 **Takeout.** Defines "takeout" for purposes of laws governing the Racing Commission.
- 3 **Handle.** Defines "handle" for purposes of laws governing the Racing Commission.
- 4 **Mixed meet.** Defines "mixed meet" for purposes of laws governing the Racing Commission.
- 5 **Banked.** Defines "banked" for purposes of laws governing the Racing Commission.
- 6 **Steward.** Defines "steward" for purposes of laws governing the Racing Commission.
- 7 **Appointment of director.** Removes the specific requirement that the Racing Commission director has pari-mutuel racing experience.

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- 8 Commission powers and duties.** Provides specifically for subpoena power to compel witness testimony and submit any other evidence necessary for the Racing Commission to carry out its duties.
- 9 Application.** Reorganizes subdivision and clarifies the requirement that an applicant has not violated a law, order, or rule in Minnesota or another jurisdiction related to horse racing or gambling.
- 10 License issuance and renewal.** Provides that certain types of class C license issued by the Racing Commission can be valid for up to three years.
- 11 Revocation and suspension.** Provides for the revocation and suspension (in some instances) of a class C license if a violation is deemed by the Racing Commission to adversely affect the public health, safety, or welfare.
- 12 License fees.** Removes the \$100 ceiling on class C licenses. Removes reference to the inclusion of information related to simulcasting.
- 13 Purses**
- Requires a written contract between a licensee and a majority of horsepersons racing a breed that is filed with the commission for setting aside a higher percentage from a pari-mutuel pool for a purse.
 - Deletes provisions relating to percentages for simulcasting in and out of season and provides for 37% set-aside. Removes outdated language and provisions related to increasing the set-aside percentage based on increases in the amount of off-season wagering on simulcasts.
 - Requires that 5.5% of the takeout from wagering at a licensee's facility should be deposited into the commission's Minnesota breeder's fund.
 - Rephrases certain provisions for clarity.
 - Removes the provision related to the requirements for on and off-season set-asides on wagering on simulcasts.
- Removes reference to "full-racing card". Provides that breed organizations may agree on the allotment to purses and the breeder's funds from the money set-aside from wagering on simulcasts on out of state races occurring during a mixed meet. Requires the breed organizations to file their agreement with the racing commission. Maintains the proportional distribution scheme to purses and the breeder's funds when there is no filed agreement.
- 14 Simulcasting.** Requires approval of the commission for conducting a race on a separate pool basis.
- 15 Card club revenue.**
- Adds language allowing set-asides under section 240.135 to exceed 10% and 14%.
 - Reorganizes the provision regarding the ability for a licensee and horseperson's organization to contract for a different set-aside amount than what is specified in this section.
- 16 Taxes imposed.** Clarifies the tax on the handle with new language.

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- 17** **Disposition of proceeds; account.** Removes a reference to “full racing card” simulcasts with regard to the distribution of money from simulcasts designated for deposit into the breeder’s fund.
- 18** **Powers and duties.** Raises the ceiling on fines from \$2,000 to \$5,000.
- 19** **Fines.** Allows the commission to retain attorney’s fees and costs if they prevail in a contested case lawsuit.
- 20** **Rulemaking authority.** Allows the commission to promulgate rules governing wired and wireless communications between a racetrack and locations off its premises and for sampling and testing horses for prohibited substances and practices.
- 21** **Exceptions.** Provides that chapter 364 (criminal convictions/employment/licensed occupations) does not apply to the Racing Commission’s licensing and background investigation process under chapter 240.
- 22** **Revisor instruction.**
- 23** **Repealer.** § 240.01, subds. 12 and 23: definitions of “average daily handle” and “full racing card”